A BILL FOR AN ACT

RELATING TO REAL ESTATE DISCLOSURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that real property in the State is often vulnerable to hazards, such as coastal erosion and flooding from tsunamis, storms, and high waves. These hazards can be exacerbated by sea level rise and human-caused interruptions to natural sand supply. In Hawai‘i, all beaches are prone to seasonal or episodic erosion from high waves and storms. In addition, chronic erosion affects seventy per cent of the beaches on O‘ahu, Maui, and Kaua‘i.

The legislature further finds that numerous court decisions have affirmed that privately owned oceanfront land is lost when shorelines undergo landward retreat and oceanfront properties become smaller. When oceanfront property experiences landward retreat, building setbacks, property values, and insurance availability can be adversely impacted. Another challenge property owners face in Hawai‘i is the stringent permit requirements imposed by the counties and State for shoreline protection. When shoreline retreat occurs, obtaining a permit
to repair or install shoreline protection structures, such as seawalls, revetments, geotextile sandbags, or groins, can be challenging due to Hawai‘i's coastal zone management policies, which protect coastal natural resources and shoreline public access. Furthermore, the legislature recognizes sea level rise and shoreline retreat as concerns for all property owners, not just oceanfront property owners.

Accordingly, the purpose of this Act is to require a sea level rise hazard exposure statement with the sale or transfer of any real estate to ensure that new property owners and transferees understand the special hazards, permitting requirements, and limitations that may affect the property.

SECTION 2. Chapter 508D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§508D- Sea level rise hazard exposure statement. (a) Beginning November 1, 2019, every sale or transfer of real property shall include a sea level rise hazard exposure statement executed by the purchaser or transferee.

(b) Every sea level rise hazard exposure statement shall include acknowledgement by the purchaser or transferee that the
purchaser or transferee has reviewed the National Oceanic and
Atmospheric Administration sea level rise hazard exposure map or
the Hawaii Sea Level Rise Viewer and accepts the risks of
purchasing or accepting a transfer of property that is at risk
of climate-related exposure."

SECTION 3. Section 508D-15, Hawaii Revised Statutes, is
amended by amending subsection (a) to read as follows:

"(a) When residential real property lies:

(1) Within the boundaries of a special flood hazard area
    as officially designated on Flood Insurance
    Administration maps promulgated by the United States
    Department of Housing and Urban Development for the
    purposes of determining eligibility for emergency
    flood insurance programs;

(2) Within the boundaries of the noise exposure area shown
    on maps prepared by the department of transportation
    in accordance with Federal Aviation Regulation part
    150, Airport Noise Compatibility Planning (14 C.F.R.
    part 150), for any public airport;

(3) Within the boundaries of the Air Installation
    Compatible Use Zone of any Air Force, Army, Navy, or
Marine Corps airport as officially designated by military authorities; 

(4) Within the anticipated inundation areas designated on the department of defense's emergency management tsunami inundation maps; or

(5) Within a sea level rise hazard zone based on the National Oceanic and Atmospheric Administration sea level rise hazard exposure map or the Hawaii Sea Level Rise Viewer;

subject to the availability of maps that designate the four areas by tax map key (zone, section, parcel), the seller shall include the material fact information in the disclosure statement provided to the buyer subject to this chapter. Each county shall provide, where available, maps of its jurisdiction detailing the four designated areas specified in this subsection. The maps shall identify the properties situated within the four designated areas by tax map key number (zone, section, parcel) and shall be of a size sufficient to provide information necessary to serve the purposes of this section. Each county shall provide legible copies of the maps and may charge a reasonable copying fee."
SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY: 

[Signatures]
Report Title:
Real Estate Disclosure; Sea Level Rise; Hazard Exposure Statement

Description:
Beginning on November 1, 2019, requires all real property sales or transfers to include a sea level rise hazard exposure statement to ensure that new property owners and transferees understand the special hazards, requirements, and limitations that may affect the property. Requires sellers to include whether property is within a sea level rise hazard zone in the disclosure statement provided to the buyer.

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